

May 4, 2023



**Q1 2023**

Supplemental Financial Information



# Use of Non-GAAP Financial Measures



Inogen has presented certain financial information in accordance with U.S. GAAP and also on a non-GAAP basis for the three months ended March 31, 2023 and March 31, 2022, and for fiscal years ended December 31, 2022, December 31, 2021, and December 31, 2020. Management believes that non-GAAP financial measures, taken in conjunction with U.S. GAAP financial measures, provide useful information for both management and investors by excluding certain non-cash and other expenses that are not indicative of Inogen's core operating results. Management uses non-GAAP measures to compare Inogen's performance relative to forecasts and strategic plans, to benchmark Inogen's performance externally against competitors, and for certain compensation decisions. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of Inogen's operating results as reported under U.S. GAAP. Inogen encourages investors to carefully consider its results under U.S. GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between U.S. GAAP and non-GAAP results are presented in the accompanying tables of this release. For future periods, Inogen is unable to provide a reconciliation of non-GAAP measures without unreasonable effort as a result of the uncertainty regarding, and the potential variability of, the amounts of interest income, interest expense, depreciation and amortization, stock-based compensation, provision for income taxes, and certain other infrequently occurring items, such as acquisition-related costs, that may be incurred in the future.

# Total Revenue and Constant Currency Revenue



(in \$ millions)	2020					2021					2022					2023	Y/Y Growth
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	
B2B domestic	27.6	21.6	23.1	24.2	96.4	30.7	27.6	22.8	10.3	91.4	5.1	11.2	42.5	27.2	86.0	12.6	146.7%
B2B international	20.1	13.9	14.6	13.6	62.1	15.7	21.8	21.8	20.1	79.5	27.9	37.4	15.1	20.7	101.2	19.0	(32.1)%
DTC sales	35.5	30.2	29.2	26.8	121.6	30.6	40.9	36.3	33.0	140.9	34.4	40.6	33.0	25.3	133.3	24.3	(29.2)%
<b>Subtotal sales revenue</b>	<b>83.1</b>	<b>65.6</b>	<b>66.8</b>	<b>64.6</b>	<b>280.2</b>	<b>77.1</b>	<b>90.3</b>	<b>80.9</b>	<b>63.4</b>	<b>311.7</b>	<b>67.4</b>	<b>89.3</b>	<b>90.7</b>	<b>73.2</b>	<b>320.5</b>	<b>55.9</b>	<b>(17.1)%</b>
Rental revenue	5.3	6.1	7.5	9.4	28.3	9.9	11.3	12.1	13.0	46.3	13.0	14.1	14.7	14.9	56.7	16.3	25.4%
<b>Total revenue</b>	<b>88.5</b>	<b>71.7</b>	<b>74.3</b>	<b>74.0</b>	<b>308.5</b>	<b>86.9</b>	<b>101.6</b>	<b>93.1</b>	<b>76.4</b>	<b>358.0</b>	<b>80.4</b>	<b>103.4</b>	<b>105.4</b>	<b>88.1</b>	<b>377.2</b>	<b>72.2</b>	<b>(10.2)%</b>
Hedging gains (losses)	0.0	0.2	(0.3)	(0.2)	(0.3)	(0.3)	(0.2)	0.1	0.4	0.0	0.6	0.6	-	0.8	2.0	-	-
<b>Revenues, excluding hedging effect</b>	<b>88.5</b>	<b>71.5</b>	<b>74.6</b>	<b>74.2</b>	<b>308.8</b>	<b>87.2</b>	<b>101.8</b>	<b>93.0</b>	<b>76.0</b>	<b>358.0</b>	<b>79.8</b>	<b>102.8</b>	<b>105.4</b>	<b>87.3</b>	<b>375.2</b>	<b>72.2</b>	<b>(9.6)%</b>
Exchange rate effect	0.4	0.3	(0.3)	(0.6)	(0.2)	(1.1)	(1.3)	(0.4)	0.3	(2.5)	1.4	2.6	1.1	2.1	7.3	0.9	-
<b>Total constant currency revenue</b>	<b>88.9</b>	<b>71.8</b>	<b>74.3</b>	<b>73.6</b>	<b>308.6</b>	<b>86.1</b>	<b>100.5</b>	<b>92.6</b>	<b>76.3</b>	<b>355.4</b>	<b>81.2</b>	<b>105.4</b>	<b>106.5</b>	<b>89.4</b>	<b>382.5</b>	<b>73.0</b>	<b>(8.5)%</b>

Due to rounding, numbers presented may not add up precisely to the totals provided.

# Q1 2023 Results

## Revenue by region and category



Total by Category	Q1 Revenue	Year-Over-Year Change	% of Total Revenue
Business-to-business domestic sales	\$12.6 million	146.7%	17.4%
Business-to-business international sales	\$19.0 million	(32.1)%	26.3%
Direct-to-consumer domestic sales	\$24.3 million	(29.2)%	33.7%
Rental revenue	\$16.3 million	25.4%	22.6%
<b>Total revenue</b>	<b>\$72.2 million</b>	<b>(10.2)%</b>	<b>100%</b>
Total constant currency revenue	\$73.0 million	(8.5)%	100%

Due to rounding, numbers presented may not add up precisely to the totals provided.

# Operating Expense and Net Loss

(in thousands)



	Three months ended March 31,	
	2023	2022
<b>Operating expense</b>		
Research and development	\$ 5,344	\$ 5,364
Sales and marketing	28,441	28,039
General and administrative	18,863	15,189
<b>Total operating expense</b>	<u>52,648</u>	<u>48,592</u>
<b>Loss from operations</b>	<u>(21,915)</u>	<u>(13,586)</u>
<b>Other income (expense)</b>		
Interest income	1,525	29
Other income (expense)	237	(433)
<b>Total other income (expense), net</b>	<u>1,762</u>	<u>(404)</u>
<b>Loss before provision for income taxes</b>	<u>(20,153)</u>	<u>(13,990)</u>
<b>Provision for income taxes</b>	196	224
<b>Net loss</b>	<u>\$ (20,349)</u>	<u>\$ (14,214)</u>

# Reconciliation of GAAP to Non-GAAP

Adjusted EBITDA *(in thousands)*



	Three months ended	
	March 31,	
	2023	2022
<b>Non-GAAP EBITDA and Adjusted EBITDA</b>		
Net loss (GAAP)	\$ (20,349)	\$ (14,214)
Non-GAAP adjustments:		
Interest income	(1,525)	(29)
Provision for income taxes	196	224
Depreciation and amortization	4,086	5,760
EBITDA (non-GAAP)	(17,592)	(8,259)
Stock-based compensation	3,442	2,665
Acquisition-related expenses	554	—
Restructuring-related and other charges <sup>(1)</sup>	1,809	—
Change in fair value of earnout liability	—	630
Adjusted EBITDA (non-GAAP)	\$ (11,787)	\$ (4,964)

(1) Charges represent the costs associated with workforce reductions and associated costs and other restructuring-related activities.



# Reconciliation of GAAP to Non-GAAP



Adjusted Net Income (Loss) *(in thousands)*

Non-GAAP Adjusted Net Loss and Diluted EPS	Three months ended March 31,			
	Net Loss		Diluted EPS	
	2023	2022	2023	2022
Financial Results (GAAP)	\$ (20,349)	\$ (14,214)	\$ (0.88)	\$ (0.62)
Non-GAAP adjustments:				
Amortization of intangibles	26	2,147		
Stock-based compensation	3,442	2,665		
Acquisition-related expenses	554			
Restructuring-related and other charges <sup>(1)</sup>	1,809	—		
Change in fair value of earnout liability	—	630		
Income tax impact of adjustments <sup>(2)</sup>	—	87		
Adjusted	<u>\$ (14,518)</u>	<u>\$ (8,685)</u>	<u>\$ (0.63)</u>	<u>\$ (0.38)</u>

(1) Charges represent the costs associated with workforce reductions and associated costs and other restructuring-related activities.

(2) Income tax impact of adjustments represents the tax impact related to the non-GAAP adjustments listed above and reflects an effective tax rate of 0% for 2023 and -1.6% for 2022, which is due to the recording of a valuation allowance.

# Reconciliation of GAAP to Non-GAAP

Constant Currency *(in thousands)*



	Three months ended	
	March 31,	
<b>Non-GAAP constant currency revenue</b>	<b>2023</b>	<b>2022</b>
Business-to-business domestic sales	\$ 12,585	\$ 5,101
Business-to-business international sales	18,972	27,941
Direct-to-consumer domestic sales	24,330	34,360
Rental revenue	16,275	12,983
Total revenue (GAAP)	72,162	80,385
Hedging gains	—	600
Total revenue, excluding hedging effect (non-GAAP)	72,162	79,785
Exchange rate impact	860	1,424
Constant currency revenues (non-GAAP)	<u>\$ 73,022</u>	<u>\$ 81,209</u>
Revenue growth (GAAP)	-10.2%	
Constant currency revenue growth (non-GAAP)	-8.5%	





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